DOCUMENT RESUME

ED 031 997 HE 001 048

State Assistance to Private and Independent Higher Education in Oregon. The Report of the Ad Hoc Committee on Private and Independent Higher Education.

Educational Coordinating Council, Salem, Oreg.
Report No-ECC-115-68-2
Pub Date Oct 68
Note-84p.
EDRS Price MF-$0.50 HC-$4.30
Descriptors-Educational Finance, *Financial Support, *Higher Education, *Legislation, *Private Colleges, *State Aid
Identifiers-*Oregon

The Ad Hoc Committee on Private and Independent Higher Education was charged with determining how the state of Oregon could help preserve the strength and vitality of its independent institutions of higher education while maintaining their independence. After reviewing the general condition of these institutions and concluding that their survival was in the public interest, the Committee discussed alternative approaches to funding them. Specific methods and levels of funding were recommended. The Appendices contain: draft legislation providing for financial payments to private institutions of higher education; draft legislation providing for financial aid to Oregon residents; a statement of income and expenditures for 12 independent colleges and universities in Oregon for the fiscal years 1964-65 through 1968-69; a paper on the financing of independent colleges; and a summary of the state attorney general's opinion on state aid to private education. (JS)

ED031997

STATE ASSISTANCE TO PRIVATE AND INDEPENDENT HIGHER EDUCATION IN OREGON

THE

REPORT OF

THE AD HOC COMMITTEE

ON PRIVATE AND INDEPENDENT HIGHER EDUCATION

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October 1968

ECC:115-68(2)

State of Oregon

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Salem, Oregon 97310

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October 2, 1968

Mr. Richard L. Rosenberg, Chairman
Educational Coordinating Council
647 Union Street, N. E.
Salem, Oregon 97310

Dear Mr. Rosenberg:

We are pleased to submit the report and recommendations of your Ad Hoc Committee on Private and Independent Higher Education.

The committee, in its deliberations, could rapidly agree that the private institutions of higher education were indeed facing serious financial problems. Our difficulties revolved around identifying these financial needs and delineating the various approaches to meeting them through state aid. The attached report summarizes the committee's deliberations and conclusions.

On behalf of the entire committee, I wish to express deep appreciation to Dr. Ben Lawrence and the staff of the Educational Coordinating Council and to the consultants of the Ad Hoc Committee for their outstanding contributions. Without their valuable assistance our report simply could not have been completed.

The committee members enjoyed the assignment and only hope that the report may be of some assistance to the committee and ultimately to that very important part of our total higher education complex, the private colleges and universities.

Cordially,

Warne Nunn

WN:ama

Attachment

PREFACE

The Educational Coordinating Council charged the Ad Hoc Committee on Private and Independent Higher Education with the task of determining, ". . .how the State can help preserve the strength and vitality of its private and independent institutions of higher education and at the same time preserve their independence?"

More specifically, the Committee was requested to respond to the following questions:

1. Do Oregon's private and independent institutions of higher education require assistance in order to preserve their strength and vitality?

2. If so, what is the nature and scope of assistance required?

3. Should it be a policy and is it in the interest of the state of Oregon to provide assistance?

4. If it is determined that assistance to these institutions is in the interest of the State, what are the appropriate ways and means for the State to help preserve the strength and vitality of these institutions?

The Committee has met in full session on four occasions. The consultants to the Committee have met in four planning sessions, and the private institutions have provided a wide variety of data and information, coordinated through the efforts of Professor James Sullivan of Lewis and Clark College. The initial report of the private and independent colleges and exhibits relating to finances of some of these institutions are appended to this document as background information. (See Appendix C.)

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REPORT OF
THE AD HOC COMMITTEE ON
PRIVATE AND INDEPENDENT HIGHER EDUCATION

The Ad Hoc Committee on Private and Independent Higher Education believes that the state of Oregon should help preserve the strength and vitality of its private and independent institutions of higher education and do it in such a way as to preserve their independent character.

I. The Committee has carefully reviewed the general conditions of these institutions and has determined that they all share symptoms that, if not corrected, could lead to a substantial reduction in program quality and enrollment and probably the closure of some institutions. During the course of this review the following significant points were made:

THE PERCENTAGE OF OREGON STUDENTS ATTENDING INDEPENDENT COLLEGES HAS STEADILY DECLINED OVER THE YEARS.

In 1960, 26.4 percent of all college full-time equivalent students were enrolled in independent colleges and universities in Oregon (see Table 1, page 13). By the beginning of 1968 that figure had fallen to 17.7 percent, and the projection for 1977 indicates that enrollments at these institutions will probably drop to 15.4 percent. If nothing is done to alter the basic equation of higher education in Oregon, the private and independent schools may look forward to a continually declining share of the Oregon students attending institutions of higher learning, with a corresponding increase in the public institutions of higher education in Oregon.

OREGON INDEPENDENT COLLEGES AND UNIVERSITIES HAVE INCREASINGLY EXPERIENCED DEFICITS IN THEIR OPERATING ACCOUNTS IN SPITE OF SHARP INCREASES IN TUITION CHARGES.

Oregon independent colleges have attempted to meet their own responsibilities. They have raised tuition charges to the point where further increases may curtail enrollment, resulting in a loss of revenue equal to the gains made from the increased charges. They have made individual and collective efforts to raise, through private sources, sufficient money to cover the difference between the cost of education and income received from tuition. Yet, the fact remains that the Oregon independent colleges are in financial trouble. In 1964-65 six institutions out of ten reporting had deficits totaling $580,022 (see Table 2, page 14). In 1965-66 six institutions had deficits totaling $539,531. In 1966-67 seven institutions out of ten reporting had deficits totaling $725,246. In 1967-68 ten out of twelve institutions had deficits totaling $1,082,140 with a net deficit for all twelve institutions of $1,028,663.

Of the two institutions showing a credit balance in 1967-68, one institution can show a substantial workload being carried by unsalaried full-time faculty, and the other has increased its student-faculty ratio out of the range desired by private colleges and universities (see Table 3, page 15) and has not kept the salaries of its professors up to the level of other institutions of its size and stature (see Table 4, page 16).

WHILE OREGON INDEPENDENT COLLEGES AND UNIVERSITIES HAVE REGULARLY SOUGHT TO IMPROVE EFFICIENCY, THEY HAVE HAD TO INCREASE TUITION IN ORDER TO MEET INCREASING COSTS.

Oregon independent colleges, within the limits of their resources

and program, have sought to meet increasing costs through efficiency by adopting a year-round calendar of operations and by the application of instructional devices, programed learning, closed-circuit television, and other new technological concepts to increase productivity. However, the application of business practices that can be effectively used in the educational process is limited.

Increased costs of operation have caused most of Oregon's independent institutions to double their tuition since the 1960-61 school year. Eight independent institutions will increase their tuition again next year, and many of those that are holding the line for next year expect to increase tuition in the 1969-70 school year.

II. <u>The Committee has reviewed the role of the independent colleges and universities and believes that they make a contribution to the State that is worthy of the State's support. The following contributions were identified</u>:

OREGON INDEPENDENT COLLEGES AND UNIVERSITIES COMPLEMENT THE STATE'S EDUCATIONAL PHILOSOPHY BY ASSUMING MANY ROLES.

-- They can be crucial outposts of social criticism.

-- They can assume a leadership role through experimentation and innovation; they are relatively free to act quickly.

-- They can assist in evaluating and monitoring the post-high school educational establishment.

-- They can help establish the wide diversity of post-high school educational alternatives desirable in any state.

-- Their continued existence provides a valuable reference point

from which the public may evaluate the educational performance of higher education generally and the public institutions in particular.

-- They can allow more opportunity for analysis and experimentation of admission criteria.

-- They are, for the most part, older institutions and have developed specialized programs and strengths which are unique and valuable to the total cultural and educational development of the State.

OREGON INDEPENDENT COLLEGES AND UNIVERSITIES ASSIST THE STATE BY PROVIDING POST-HIGH SCHOOL OPPORTUNITY FOR OREGON RESIDENTS AND OUT-OF-STATE AND FOREIGN STUDENTS.

Approximately 7,000 Oregon residents and 5,000 out-of-state and foreign students are enrolled in Oregon's independent colleges and universities. All but 700 of these are enrolled in accredited institutions. While Oregon need not accept responsibility for out-of-state and foreign students, the attraction of students from other states and countries does make a contribution to the cultural mix of the State.

Should any of Oregon's independent institutions be forced by circumstances to close their doors, their students would seek admission elsewhere. In all probability public institutions would be the recipients of some of these students. Should many of the independent colleges eventually have to close their doors, the burden would undoubtedly shift to the public institutions.

Should Oregon's independent institutions not close their doors but merely retrench and stabilize at present levels, the public institutions would be required to pick up all new levels of enrollment. On the other hand, if independent institutions could maintain their present

17 percent of the State's total enrollment or increase it to the 1959 level of 26 percent, it would reduce the rate of enrollment increases in public institutions. Part of the burden of meeting the expanding educational needs of the State could then be met by the independent institutions.

OREGON INDEPENDENT COLLEGES AND UNIVERSITIES HAVE MAINTAINED SMALL CLASSES AS A PART OF THEIR EDUCATIONAL PHILOSOPHY, WHICH CONTRIBUTES IN PART TO THEIR HIGH COST OF OPERATION.

In keeping with their philosophical commitment, Oregon independent colleges and universities have maintained an average student-teacher ratio of 13.25 to 1. In contrast, the public four-year institutions have an average student-teacher ratio of 18.95 to 1. The lower student-teacher ratio at the independent schools allows them to provide individual attention to the needs of each student. This is one of the vital causes of the higher costs per student at independent institutions.

At the present time the full-time equivalent cost for undergraduate students at the public four-year institutions is $1,050 per year. Last year comparable costs at Oregon independent institutions of higher education were $1,865.

OREGON INDEPENDENT COLLEGES AND UNIVERSITIES MAKE A MAJOR FINANCIAL CONTRIBUTION TO THE ECONOMY OF THE STATE.

The private and independent institutions of higher education in Oregon contribute annually more than $27,000,000 to the economy of the State. This amount includes current operating expenditures; expenditures for capital construction would be in addition. In a number of instances these colleges are located in small Oregon towns and they

are often the first, second, or third principal source of income for the community.

III. Having concluded that independent institutions did in fact require some State assistance in order to preserve their strength, and having concluded that their role is in the public interest, the Committee turned its attention to alternatives for funding:

Of the wide variety of conceivable procedures for providing State funds to independent institutions two general approaches appear to be practical: 1) the contractual approach; and 2) the student financial aid approach. The Committee has been advised that both approaches are statutorily and constitutionally permissible (see the attached Summary of Attorney General Opinion No. 6543 relating to state aid to private education in Oregon). These two methods are currently used in other states.

Contractual Approach. Contracts can take many forms. Contracting for either a specified number of credit hours of accredited course work or for a specified number of accredited degrees conferred would appear to provide a procedure which would be fairly easy to evaluate and determine.

Contracting for degrees earned would not need to restrict funding to accredited four-year institutions only, as two-year accreditied institutions can offer an associate of arts degree. However, because students transfer from one institution to another at various levels, contracting for degrees earned could result in inequities unless a detailed follow-up procedure for student transfers were developed and payments

were prorated. For this reason the Committee recommends contracting on the basis of credit hours earned.

Student Financial Aid Based on Need Approach. Oregon's present cash award program, which is disbursed on the basis of both need and academic achievement, provides some assistance to private institutions in that a limited number of students are encouraged to attend private institutions. It is anticipated that a modified cash award program disbursed solely on the basis of need -- calculated as the difference between the family's financial condition and earning power and the educational budget of the student (such as outlined in the appended draft bill -- Appendix A) -- may encourage additional students to attend private institutions. While such a program would generally assist students wishing to attend any institution, it is anticipated that awards would be granted more frequently to students attending private institutions. The independent institution would receive assistance from such a program in that more students would probably attend private institutions, thus allowing the institution to divert some of its own resources from financial aid to operations.

Eligibility for Funding. A small number of Oregon's independent institutions are not accredited at the present time. The Committee concluded that only those institutions accredited by the Northwest Association of Secondary and Higher Schools should be considered eligible for participation in contractual arrangements with the State. To develop any other standard of eligibility would require the State to function as an accrediting agency and would at the same time establish a double standard of quality in Oregon.

For the purposes of a financial aid program based on need only the Committee recommends that aid be available to students entering those institutions accredited by the Northwest Association and community colleges approved under ORS 341.425.

IV. Having determined that some State funding should be provided to independent institutions and how it should be provided, the Committee then considered the level of funding. The procedure was arbitrary for the most part, but the following discussion attempts to provide some logical basis for the Committee's thinking:

Roughly 80 percent of higher education expense can be attributed to salaries and related expenditures. Accordingly, it can be generalized that the faculty represents the institution's biggest cost factor.

The independent institutions have argued that a major contribution they make to higher education is their unique educational philosophy which is closely related to their student-teacher ratio. They have pointed out that they have a student-teacher ratio of 13.25 to 1 on the average, compared to 18.95 to 1 in the public four-year institutions.

Since faculty salaries are such a significant portion of the expenditures in these institutions and since they have stressed the importance of a low student-teacher ratio, the student-teacher ratio was examined in light of other selected information as shown in Table 3.

Table 3 suggests that institutions with relatively low enrollments (less than 700) have lower student-teacher ratios than do institutions with enrollments of 1,000 or more. This is probably due to

the fact that an accredited four-year institution must have a minimum number of qualified staff regardless of student body enrollment in order to meet the standards of the Northwest Association. (Institution K is an exception.) These smaller institutions could probably increase enrollment sharply without adding new staff. While they may need money, an increased enrollment would improve their efficiency by bringing in tuition revenue without a substantially increased expenditure. A student financial aid program may substantially aid these institutions assuming they have a program that will attract additional students.

It should also be noted that these institutions have lower tuition and comparatively lower faculty salary, but only slightly lower cost per student.

These smaller institutions appear to be in need of more students to increase efficiency. While aid to the institution through a contractual arrangement may help them to reduce deficits or even improve their program slightly, it probably would not attract students to their institutions. These institutions probably need a student financial aid program that will help reduce the differential in tuition between the private and the public institution, which might serve to increase their enrollments.

The information provided in Table 3 for the six larger institutions, when studied, is remarkably consistent. With two explainable exceptions the student-teacher ratio ranges from 13 to 1, to 16 to 1.

Institution B has had the practice of no-deficit spending. It accordingly has had to adjust its student-teacher ratio (now 19 to 1) and lower its salaries to balance its books, at a sacrifice to its

educational philosophy. Tuition of the institution is below the average of the six, but the institution's enrollment trend suggests that any revenue gained by increasing fees would be lost by decreases in enrollment. This institution has operated in the "black", but at a sacrifice to its stated educational philosophy. Had this institution refused to sacrifice its philosophy a deficit most assuredly would have occurred.

Institution E has an exceptionally low student-teacher ratio, but has a program capable of attracting students who are prepared to pay an exceptionally high fee. In order to maintain the high standards set for itself this institution has incurred a deficit along with five out of these six institutions.

If it is assumed that Institution B desired to maintain its philosophy and that had it done so the size of its deficit would have been equal to the average of the other five institutions in this group, an average deficit per student for these six institutions can be calculated:

Total deficit, five institutions	$839,418
Total enrollment, five institutions	7,492
Average deficit	$112 per student

While the above average deficit per student was calculated on the basis of both in-state and out-of-state student enrollment, the average deficit per Oregon resident student enrolled in the six institutions would be $203.

The Committee felt that any assistance to independent institutions

should be provided on the basis of Oregon residence. The State should not assume responsibility for the out-of-state students in this connection.

It is recognized that not all of the average deficit per student would be met from State resources. Considerable difference between institutions in the level of the deficits suggests that some institutions will need to make adjustments in order to meet the balance of the deficits.

Since enrollment trends for some of the institutions are a significant part of the problem, the Committee agreed that a two-pronged effort of assistance to independent colleges and universities was necessary. Accordingly, the Committee focused its attention on, first, the contractual approach for credit hours earned and, secondly, the student financial aid approach.

While the institutions will be assisted to a greater degree through the contractual approach and the services may be purchased from the independent institutions at a price to the State substantially lower than if the students went to a public institution, a student financial aid program based solely on financial need as described earlier should encourage more students to attend independent institutions. Independent institutions maintain they can absorb nearly 5,000 additional students without further capital investment and with relatively small increases in faculty. If enrollments at independent institutions can be increased, it will help to alleviate some of their financial problems and at the same time assist the State in providing for expanding educational needs.

The two-pronged effort would provide financial assistance and hopefully improve enrollment trends in independent institutions.

Recommendations

The Committee recommends that:

1. The state of Oregon should contract with two- and four-year private institutions of higher education accredited by the Northwest Association of Secondary and Higher Schools to provide an accredited program of instruction for Oregon resident students enrolled in the respective institutions.

Payment should be made at the rate of $80 for every forty-five quarter hours or equivalent of approved and registered course work completed as defined by the Educational Coordinating Council (see Appendix A).

2. A student financial aid program be implemented based on need and disbursed to students on the basis of the difference between the family's financial ability and the student's educational budget at the institution of his choice (see Appendix B).

3. The contractual program for the provision of accredited course work to Oregon resident students in independent institutions be administered by the Educational Coordinating Council. The public sector of education would have substantial surveillance over the program through the Council, but this would be balanced by the presence of lay members on the Council as well as representation from the private sector.

4. The financial aid program should be administered by the State of Oregon Scholarship Commission.

TABLE 1

FULL-TIME EQUIVALENT AVERAGE TERM ENROLLMENTS IN OREGON COLLEGES AND UNIVERSITIES
1960-61 to 1977-78

Academic Year	Enrollment in Oregon Colleges and Universities				Oregon 18-24 Population	Estimated Percent Enrollment is of Oregon 18-24 College Age Population				Percent of Total Enrollment Enrolled in each Category of Coll. & Univ.		
	Public Four Yr. Col. & Univ.	Community Colleges	Independent Colleges & Univ.	Totals for Oregon	Bell Estimates	Public Four Yr Colleges & Univ.	Community Colleges	Independent Colleges and Universities	Totals for Oregon	Public Four Yr. Colleges & Univ.	Community Colleges	Independent Colleges and Universities
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1960-61	22,856	219	8,298	31,373	148,504	15.39	0.15	5.59	21.13	72.85	.70	26.45
1961-62	27,037	1,560	8,919	37,516	162,319	16.65	0.96	5.49	23.11	72.07	4.16	23.77
1962-63	29,262	2,867	9,609	41,738	176,134	16.61	1.63	5.46	23.70	70.11	6.87	23.02
1963-64	30,564	3,608	10,292	44,464	189,949	16.09	1.90	5.42	23.41	68.74	8.11	23.15
1964-65	32,362	4,679	11,656	48,697	203,765	15.88	2.30	5.72	23.90	66.46	9.61	23.93
1965-66	36,775	7,825	12,201	56,801	217,580	16.90	3.60	5.61	26.11	64.74	13.78	21.48
1966-67	39,154	10,920	11,915	61,989	229,620	17.05	4.76	5.19	27.00	63.16	17.62	19.22
1967-68	41,682	14,063	12,025	67,770	241,660	17.25	5.82	4.98	28.04	61.51	20.75	17.74
1968-69	43,731	17,515	12,479	73,725	253,700	17.24	6.90	4.92	29.06	59.32	23.76	16.92
1969-70	44,267	20,960	13,002	78,229	265,740	16.66	7.89	4.89	29.44	56.59	26.79	16.62
1970-71	45,573	24,318	13,475	83,366	277,780	16.40	8.75	4.85	30.01	54.67	29.17	16.16
1971-72	47,124	27,159	14,074	88,357	282,712	16.67	9.73	4.98	31.25	53.33	30.74	15.93
1972-73	48,571	29,391	14,500	92,462	287,644	16.89	10.22	5.04	32.14	52.53	31.79	15.68
1973-74	49,948	31,623	14,853	96,424	292,576	17.07	10.81	5.08	32.96	51.80	32.80	15.40
1974-75	51,027	32,569	15,196	98,792	297,508	17.15	10.95	5.11	33.21	51.65	32.97	15.38
1975-76	52,129	33,412	15,471	101,012	302,440	17.24	11.05	5.12	33.40	51.61	33.08	15.31
1976-77	53,130	33,634	15,786	102,550	303,996	17.48	11.06	5.19	33.73	51.81	32.80	15.39
1977-78	54,173	33,900	16,082	104,155	305,552	17.73	11.09	5.26	34.09	52.01	32.55	15.44

Note:

1. The community college projections include summer session and extension students enrolled in programs for which the State makes reimbursement to the colleges.
2. Public four-year and independent college and university projections do not include summer session or extension programs.
3. Independent college projections are fall term headcounts converted to estimated FTE by the average conversion as determined for the 1967 yr.
4. Projections do not include theological seminaries or Bible schools.

TABLE 2

OREGON INDEPENDENT COLLEGES ASSOCIATION

Total Current Account Surplus
(deficit) Remaining After
Gifts and Other Income Were Applied

College	1964-65	1965-66	1966-67	1967-68
A	$(133,375)	$ 99,130	$ (65,734)	$ (52,516)
B	(7,600)	(76,944)	(99,453)	23,916
C	77,674	90,952	140,513	(268,062)
D	(119,800)	(137,700)	(169,600)	(323,426)
E	(62,712)	29,219	(20,651)	(121,614)
F	NA	NA	NA	(73,800)
G	70,723	135,150	114,866	(142,660)
H	12,025	(109,444)	12[illegible]909	(29,900)
I	(154,929)	(12,194)	(29,[illegible]57)	29,561
J	24,832	(152,588)	(305,243)	(11,360)
K	(101,606)	(50,661)	(35,208)	(15,651)
L	NA	NA	NA	(43,151)
Net Deficit	$394,768	$ 185,080	$ 348,958	$1,028,663
Total Deficit	$580,022	$ 539,531	$ 725,246	$1,082,140

TABLE 3

SELECTED INFORMATION FOR ELEVEN PRIVATE INSTITUTIONS IN OREGON FOR ACADEMIC YEAR 1967-68

Institution	Enrollment*	Net Surplus or Deficit Dollars	Student-Teacher Ratio	Cost per Student	Net Surplus or Deficit per Student	Tuition	B.A. Degrees Earned
A	1,842	$ (52,516)	15-1	$ 2,103	$ (28.51)	$ 1,680	314
B	1,135	23,916	19-1	1,544	21.07	1,200	177
C	1,088	(268,062)	13-1	1,863	(246.40)	1,385	161
D	1,614	(323,426)	14.5-1	1,843	(200.40)	1,100	350
E	1,152	(121,614)	10-1	2,745	(105.60)	2,200	226
F	1,796	(73,800)	16-1	1,435	(41.09)	1,295	230
G	251	(142,660)	10-1	1,939	(586.36)	900	48
H	380	(29,900)	13-1	1,702	(78.68)	990	51
I	558	29,561	11-1	2,008	52.98	950	73
J	342	(11,360)	12-1	1,481	(33.22)	960	54
K	379	(15,651)	26-1	1,102	(41.30)	585	51
L	370	(43,151)	12-1	2,149	(116.62)	810	40
Totals	10,970	$1,028,663	13.25-1	$ 1,865	$ (94.31)	$ 1,337	1,775

*FTE enrollment based on a full-time load of 15 term credit hours.

TABLE 4

MEAN SALARIES OF FULL-TIME FACULTY, FALL 1967

Institution	Academic Deans 11-12 mo.	Professors 9-10 mo.	Associate Professors 9-10 mo.	Assistant Professors 9-10 mo.	Instructors 9-10 mo.
A	$19,500	$13,463	$ 9,364	$ 8,878	$ 7,500
B	n.a.	10,383	9,333	8,511	6,950
C	13,304	11,600	9,250	7,300	6,550
D	13,100	11,710	9,040	8,460	7,500
E	n.a.	13,938	10,035	8,015	7,125
F	17,000	12,630	9,880	8,765	7,245
G	8,925	9,510	7,537	6,540	5,820
H	7,590	7,080	6,018	5,280	5,200
I	18,000	n.a.	8,900	7,850	7,750
J	n.a.	n.a.	n.a.	6,820	6,345
K	8,500	6,500	6,500	6,500	n.a.
L	n.a.	9,000	8,117	7,417	6,260

APPENDIX A

D R A F T L E G I S L A T I O N

AN ACT relating to education; providing for financial payments to certain non-public Oregon institutions of higher learning; making an appropriation; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OREGON:

Section 1. It is hereby established as the policy of the Legislature and the intent of this Act that the State of Oregon should help preserve the strength and vitality of its private and independent institutions of higher education and at the same time preserve their independence. It is the purpose of this Act to establish a fund for the paying of certain sums to these institutions in payment for their contributions to the education of Oregon's citizenry.

Section 2. As used in this Act the term "Private and independent institution of higher education" means any non-public degree granting colleges and universities in the State of Oregon which are accredited by the Northwest Association of Secondary and Higher Schools.

Section 3.

(1) This program shall be administered by the Oregon Educational Coordinating Council, as constituted pursuant to ORS_____, hereinafter referred to as the "Council."

(2) The Council shall be authorized to accept grants, gifts, bequests, and devices of real and personal property for the purpose of granting financial payments in addition to those funded by the state.

Section 4. In order to qualify for state aid apportionments pursuant to this Act, any institutions of higher education must meet each of the following requirements:

(1) The institution must be a college or university incorporated under the laws of the State of Oregon.

(2) The institution must maintain one or more earned degree programs, culminating in an associate or higher degree.

(3) The institution must be accredited by the Northwest Association of Secondary and Higher Schools.

Section 5.

(1) The amount of such apportionment to each institution meeting the requirements of Section 4 of this Act shall be paid at the rate of eighty dollars ($80) for every forty-five quarter hours (or equivalent) of approved and registered course work completed by Oregon resident students enrolled in the respective institutions, as determined by the Council.

(2) Application for payment by the institution and payment by the State of Oregon shall be at the completion of each term, quarter, or semester, whichever shall be used by each respective institution.

Section 6.

(1) The Council shall adopt regulations requiring the submission by institutions applying for state apportionments pursuant to this Act, of reports in such form, at such times, and containing such information as shall be deemed necessary by the Council.

(2) No institution shall be eligible to receive any apportionment of state aid, or portion thereof, payable pursuant to this Act unless such institution shall have submitted all reports required pursuant to such regulations, in form satisfactory to the Council.

Section 7. There hereby is appropriated to the Oregon Educational Coordinating Council for the biennium beginning July 1, 1969, out of the General Fund the sum of $1,200,000, or so much thereof as shall be necessary, for the administration of the provisions of this Act.

Section 8. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act shall take effect immediately.

APPENDIX B

D R A F T L E G I S L A T I O N

AN ACT Relating to education; providing for financial aid to Oregon resident students attending Oregon post-secondary schools; making an appropriation; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OREGON:

Section 1. The state of Oregon can achieve its full economic and social potential only if every individual has the opportunity to contribute to the full extent of his capability. It is therefore the policy of the Legislature and the purpose of this Act to establish a student financial aid program for the state of Oregon which will assure, so far as possible, that needy high school graduates have the opportunity to continue their education at an institution of higher learning of their choice in Oregon.

Section 2. As used in this Act:

(1) The term "financial aid" includes loans, grants, scholarships, work opportunities and other forms of financial assistance to students in completing their post-high school education.

(2) The term "financial need" means the difference between the capacity of the family to contribute and the expense budget of a student at the institution he plans to attend, as determined by the Oregon State Scholarship Commission or according to standards and tests of financial need approved by the Commission.

(3) The term "approved post-secondary institutions" means any colleges and universities in the state of Oregon which are accredited by the Northwest Association of Secondary and Higher Schools or which are approved under the conditions of ORS 341.425.

Section 3.

(1) This program shall be administered by the Oregon State Scholarship Commission, as constituted pursuant to ORS _____, hereinafter referred to as the "Commission."

(2) The Commission shall be authorized to accept grants, gifts, bequests, and devices of real and personal property for the purposes of granting financial aid awards in addition to those funded by the State.

Section 4. To be eligible for an award under this Act, a student must:

(1) Be a citizen or permanent resident of the United States.

(2) Meet State residency requirements as defined by the Commission.

(3) Be enrolled or accepted for enrollment as a full-time undergraduate student at an approved post-secondary institution in the state of Oregon.

(4) Meet the qualifications of financial need established by the Commission.

(5) Meet minimum academic qualifications equivalent to those required for regular admission to an approved post-secondary institution.

Section 5. A State grant recipient under this Act shall apply the grant toward the cost of tuition, room, board, books and fees at any approved Oregon post-secondary institution of his choice, the student expense budget of which was used in determining the recipient's financial need.

Section 6. Grants established under this Act shall be awarded by the Commission in the manner provided in this section.

(1) The Commission annually shall review applications from students interested in obtaining grants established under this Act.

(2) No grant shall exceed in amount the current annual average State appropriation per student for operating expense in the institutions of the State Department of Higher Education, or one-half of the student's total financial need, whichever is less.

(3) The Commission shall rank eligible applicants as defined in Section 4 on the basis of financial need and assign grants as prescribed in subsection (2) of this section in descending order of financial need.

(4) In computing financial need the Commission shall determine a maximum student expense budget allowance, not to exceed an amount equal to the total maximum student expense budget at the public institutions plus the current average State appropriation per student for operating expense in the institutions of the State Department of Higher Education.

(5) The Commission shall renew a grant as long as the recipient retains eligibility as defined in Section 4, and until the recipient has received a total of four undergraduate academic-year grants under this Act or until he has completed his undergraduate course of study, whichever is less.

(6) Nothing in subsection (5) of this section shall be construed to mean that the Commission may not increase or reduce the amount of the grant upon application for renewal.

(7) The awards will be made without regard to the applicant's race, creed, color, religion, sex, national origin, or ancestry.

Section 7. The Commission shall enter into agreements with approved post-secondary institutions in the state of Oregon, which agreements shall provide:

(1) that evaluation of admissibility to the new institution of higher learning shall remain the sole responsibility of the educational institution to which students apply.

(2) that should the recipient terminate his enrollment for any reason during the academic year, the unused portion of the scholarship shall be returned to the State scholarship fund by the institution according to the institution's own policy for issuing refunds.

Section 8. There hereby is appropriated to the Oregon State Scholarship Commission for the biennium beginning July 1, 1969, out of the General Fund the sum of $ 500,000 , which may be expended only for student grants prescribed in this Act.

Section 9. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act shall take effect upon its passage.

APPENDIX C

STATEMENTS OF INCOME AND EXPENDITURE FOR TWELVE INDEPENDENT COLLEGES AND UNIVERSITIES IN OREGON FOR THE FISCAL YEARS 1964/65 THROUGH 1968/69

EXPLANATION SHEET

A. STATEMENT OF CURRENT INCOME

1. Educational and General Income

NOTE: Income from auxiliary enterprises should not be included.

a. Student Fees (including tuition and general and specific fees assessed against students for educational and general purposes, net of refunds)

b. Endowment Income (to extent available for educational and general purposes)

c. Gifts and Grants (to extent available for educational and general purposes; restricted gifts and grants for educational and general purposes should be included, but only to the extent expended during the period covered by the report; generally, income from contract research and services should not be included)

d. All other (include all items of income for educational and general purposes not included above)

2. Student Aid Income (all income specifically designated for scholarships, fellowships, prizes and other similar purposes)

3. Total Current Income

B. STATEMENT OF CURRENT EXPENDITURES

1. Educational and General

a. General administration (all expenditures of the general executive and administrative offices serving the institution as a whole, but not including those items specifically listed below)

b. General expense (all expenditures, exclusive of general administration, general library, and physical plant, which are of a general character not relating to any specific division of the institution; generally, this would include student services, staff benefits and general institutional expenses)

c. Instruction and Departmental Research (generally, expenditures for contract research and services should not be included)

c. Library

e. Operation and Maintenance of Physical Plant

f. All other

2. Student Aid Expenditures (all expenditures for scholarships, fellowships and prizes; exclude loans)

3. Total Current Expenditures

NOTE: Expenditures for auxiliary enterprises should not be included.

C. NET SURPLUS OR DEFICIT (difference between total current income and total current expenditures)

NOTE: In determining Net Surplus or Deficit, exclude extraordinary transfers from endowment funds, etc., which are essentially for the purpose of covering current fund deficits.

Numbers on answer sheet correspond with those on explanation sheets.

COLLEGE A

	1964-65	1965-66	1966-67	1967-68 (estimated)	1968-69 (budgeted)
A.1.a.	1,680,699	2,026,981	2,360,850	2,753,230	2,883,538
A.1.b.	76,256	80,351	110,000	112,056	124,500
A.1.c.	174,384	168,441	385,000	520,647	300,000
A.1.d.	112,895	287,674	398,575	338,258	368,223
A.2.	93,819	84,680	65,400	96,779	159,250
A.3.	2,138,053	2,648,127	3,319,825	3,820,970	3,835,511
B.1.a.	148,315	156,771	191,077	212,455	199,025
B.1.b.	486,739	533,932	644,080	569,836	670,079
B.1.c.	972,573	1,285,290	1,509,685	1,822,659	1,907,116
B.1.d.	86,802	93,896	116,261	163,821	174,440
B.1.e.	158,073	214,701	321,980	326,351	322,383
B.1.f.	126,326	306,718	371,404	431,584	388,425
B.2.	257,876	283,606	299,604	346,780	390,907
B.3.	2,236,704	2,874,914	3,454,091	3,873,486	4,052,375
C.	(98,651)	(226,787)	(134,266)	(52,516)	(216,864)

COLLEGE B

	1964-65	1965-66	1966-67	1967-68 (estimated)	1968-69 (budgeted)
A.1.a.	993,400	1,035,934	1,292,726	1,318,122	1,368,000
A.1.b.	81,275	92,806	90,524	119,819	120,000
A.1.c.	11,904	5,128	8,557	17,138	15,000
A.1.d.	145,853	157,948	138,713	160,281	165,000
A.2.	123,638	158,010	169,836	161,514	170,000
A.3.	1,356,070	1,449,826	1,700,356	1,776,874	1,838,000
B.1.a.	172,903	185,543	214,065	249,389	280,000
B.1.b.	111,124	129,456	172,151	178,684	185,000
B.1.c.	564,827	614,407	672,219	721,410	770,000
B.1.d.	60,957	70,454	85,397	94,135	100,000
B.1.e.	179,716	204,397	216,142	236,017	256,000
B.1.f.	101,153	97,948	149,361	152,320	85,000
B.2.	115,000	127,948	139,838	121,003	135,000
B.3.	1,305,680	1,430,153	1,649,173	1,752,958	1,811,000
C.	50,390	19,673	51,183	23,916	27,000

COLLEGE C

	1964-65	1965-66	1966-67	1967-68 (estimated)	1968-69 (budgeted)
A.1.a.	971,498.61	1,170,350.35	1,326,375.10	1,435,950.00	1,561,350.00
A.1.b.	101,682.92	105,171.17	104,971.80	107,649.12	174,000.00
A.1.c.	60,264.10	72,408.88	127,618.01	144,538.99	175,000.00
A.1.d.	47,081.28	61,605.86	82,675.74	60,176.00	77,000.00
A.2.	7,412.00	7,591.12	7,604.71	10,136.08	44,000.00
A.3.	1,187,938.91	1,417,127.38	1,649,245.36	1,758,450.19	2,031,350.00
B.1.a.	267,429.66	275,220.66	310,372.69	313,654.03	364,221.00
B.1.b.	118,372.45	150,487.42	194,045.91	206,434.12	238,925.00
B.1.c.	597,978.26	697,780.64	733,258.58	815,850.00	854,884.00
B.1.d.	42,730.68	58,869.52	59,610.23	74,432.01	87,123.00
B.1.e.	164,402.27	163,192.24	207,660.48	223,653.17	276,936.00
B.1.f.	103,702.17	102,289.46	146,163.84	179,844.80	240,709.00
B.2.	139,404.36	196,225.20	208,923.00	212,644.00	274,000.00
B.3.	1,434,019.85	1,644,065.14	1,860,034.73	2,026,512.13	2,336,798.00
C.	246,080.94	226,937.76	210,789.37	268,061.94	305,448.00

COLLEGE D

	1964-65	1965-66	1966-67	1967-68 (estimated)	1968-69 (budgeted)
A.1.a.	1,359,090	1,667,726	1,743,591	1,713,690	1,950,000
A.1.b.	120	502	914	1,500	5,000
A.1.c.	67,545	400,817	399,983	425,140	460,000
A.1.d.	74,401	72,111	194,366	236,493	250,000
A.2.	26,847	27,945	41,693	75,000	75,000
A.3.	1,527,003	2,169,101	2,380,547	2,451,823	2,740,000
B.1.a.	127,427	211,396	274,952	290,818	303,000
B.1.b.	383,433	480,070	480,353	485,250	500,000
B.1.c.	711,707	1,003,941	1,124,836	1,229,594	1,510,000
B.1.d.	78,528	90,962	87,770	95,000	113,000
B.1.e.	177,336	151,909	211,814	310,715	329,000
B.1.f.	7,152	19,725	118,178	110,178	115,000
B.2.	74,237	106,156	191,972	253,614	275,000
B.3.	1,559,820	2,064,159	2,489,875	2,975,169	3,145,000
C.	(32,817)	104,942	(109,328)	(323,426)	(405,000)

COLLEGE E

	1964-65	1965-66	1966-67	1967-68 (estimated)	1968-69 (budgeted)
A.1.a.	1,506,500	1,594,500	2,007,400	2,280,300	2,556,000
A.1.b.	154,800	170,100	143,100	112,800	135,000
A.1.c.	274,900	411,100	425,500	598,000	469,000
A.1.d.	44,600	115,500	44,300	43,900	55,000
A.2.	6,300	2,500	500	5,200	1,000
A.3.	1,987,000	2,293,600	2,620,700	3,040,100	3,216,000
B.1.a.	112,100	139,600	154,000	130,600	156,300
B.1.b.	427,300	450,000	456,600	553,600	568,700
B.1.c.	1,404,100	1,484,800	1,446,300	1,579,900	1,673,900
B.1.d.	125,700	138,400	127,500	138,500	150,900
B.1.e.	254,300	255,300	280,600	269,800	254,800
B.1.f.	7,100	12,200	10,500	2,500	3,000
B.2.	445,600	482,600	398,100	491,000	343,000
B.3.	2,776,200	2,962,800	2,873,500	3,162,000	3,180,000
C.	(789,200)	(669,200)	(252,800)	(121,614)	36,000

COLLEGE F

	1964-65	1965-66	1966-67	1967-68 (estimated)	1968-69 (budgeted)
A.1.a.	1,299,100	1,490,500	1,625,900	1,788,800	1,972,700
A.1.b.	167,000	169,300	174,200	206,500	235,200
A.1.c.	162,900	165,400	160,800	217,700	325,700
A.1.d.	48,700	55,300	55,500	76,900	70,000
A.2.	100,300	121,600	180,900	214,000	247,200
A.3.	1,778,000	2,002,100	2,197,300	2,503,900	2,850,800
B.1.a.	247,200	305,700	294,700	318,500	338,900
B.1.b.	227,800	254,300	280,900	377,900	426,200
B.1.c.	731,800	805,300	908,100	1,124,700	1,328,600
B.1.d.	83,700	107,800	107,800	141,500	150,500
B.1.e.	254,800	207,500	205,600	238,300	239,200
B.1.f.	0	0	0	0	0
B.2.	187,800	229,700	292,300	376,800	423,200
B.3.	1,733,100	1,910,300	2,089,400	2,577,700	2,906,600
C.	44,900	91,800	107,900	(73,800)	(55,800)
Adjustment for 11-month year, estimated			75,000		
			32,900		

COLLEGE G

	1964-65	1965-66	1966-67	1967-68 (estimated)	1968-69 (budgeted)
A.1.a.	268,689	282,538	257,133	227,734	
A.1.b.					
A.1.c.	73,503	65,527	114,421	63,000	
A.1.d.	10,426	11,427	13,660	53,376	
A.2.					
A.3.	352,618	359,492	385,214	344,110	
B.1.a.	88,054	72,644	55,586	59,658	
B.1.b.	100,159	90,387	71,361	104,003	
B.1.c.	145,010	147,062	141,344	141,484	
B.1.d.	25,026	19,993	15,877	18,997	
B.1.e.	69,534	57,085	56,341	56,117	
B.1.f.	4,921	37,715	44,868	49,706	
B.2.	36,058	46,075	56,304	56,805	
B.3.	468,762	470,961	441,681	486,770	
C.	(116,144)	(111,469)	(56,467)	(142,660)	

COLLEGE H

	1964-65	1965-66	1966-67	1967-68 (estimated)	1968-69 (budgeted)
A.1.a.	283,384	312,171	322,595	394,027	472,091
A.1.b.	50,554	30,492	32,092	53,000	52,000
A.1.c.	81,560	85,974	95,658	136,230	241,339
A.1.d.	60,130	33,482	21,050	16,248	16,150
A.2.	15,000	15,000	17,000	17,500	18,000
A.3.	490,628	477,119	498,395	617,005	799,580
B.1.a.	36,383	40,974	43,851	43,412	66,718
B.1.b.	157,957	188,598	129,012	192,195	228,876
B.1.c.	159,707	159,493	208,356	272,376	304,323
B.1.d.	25,000	27,000	18,525	26,750	34,254
B.1.e.	40,652	45,141	39,403	34,000	54,245
B.1.f.	19,855	23,552	94,141	17,663	25,230
B.2.	68,725	69,304	64,558	60,509	44,000
B.3.	498,279	554,062	597,846	646,905	824,364
C.	(7,651)	(76,943)	(99,451)	(29,900)	(24,784)

COLLEGE I

	1964-65	1965-66	1966-67	1967-68 (estimated)	1968-69 (budgeted)
A.1.a.	366,989	360,538	441,914	438,103	545,250
A.1.b.	2,410	5,500	535	538	0
A.1.c.	90,695	519,287	254,264	248,521	220,900
A.1.d.	320,695	359,000	368,400	432,400	500,000
A.2.	0	13,554	19,577	30,743	53,840
A.3.	780,789	1,257,879	1,084,690	1,150,305	1,319,990
B.1.a.	172,473	212,209	175,250	263,013	267,914
B.1.b.	49,835	69,064	102,768	76,173	149,900
B.1.c.	324,812	353,935	409,167	535,649	678,900
B.1.d.	37,555	45,041	49,065	59,986	65,637
B.1.e.	80,321	76,902	90,554	101,387	119,630
B.1.f.	0	0	0	0	0
B.2.	118,400	81,159	92,050	84,536	90,000
B.3.	783,396	838,310	918,854	1,120,744	1,371,859
C.	(2,608)	419,569	165,836	29,561	(51,869)

FOOTNOTES: A.1.d. - Figure represents Contributed Services.
A.1.c. - Large Gifts & Grants for construction of Chapel & Library are included in 1966,67,68 figures.

COLLEGE J

	1964-65	1965-66	1966-67	1967-68 (estimated)	1968-69 (budgeted)
A.1.a.	211,755	279,133	305,724	311,116	334,300
A.1.b.	1,500	1,500	1,500	1,000	--
A.1.c.	29,778	34,994	28,302	69,191	64,000
A.1.c.(1)	92,000	80,720	97,650	99,350	125,550
A.1.d	8,790	6,757	10,366	7,982	7,000
A.2.	6,483	4,639	4,937	6,764	6,000
A.3.	350,306	407,743	448,479	495,403	536,850
B.1.a.	35,946	37,700	44,235	47,141	51,200
B.1.b.	65,578	75,840	98,301	101,508	121,450
B.1.c.	145,677	185,145	246,826	248,405	288,240
B.1.d.	30,115	37,032	40,764	41,315	41,600
B.1.e.	37,691	52,160	59,261	39,263	48,900
B.1.f.	0	0	2,639	6,260	5,200
B.2.	13,404	19,435	18,459	22,871	24,800
B.3.	328,411	407,312	510,485	506,763	581,390
C.	+ 21,895	+ 431	- 62,006	- 11,360	- 44,540

COLLEGE K

	1964-65	1965-66	1966-67	1967-68 (estimated)	1968-69 (budgeted)
A.1.a.	140,907.85	161,690.51	171,589.79	196,836.75	205,000.00
A.1.b.	76.00	195.00	182.00	153.00	150.00
A.1.c.	117,010.66	163,281.92	144,855.36	148,764.37	170,000.00
A.1.d.	10,162.75	10,528.21	9,576.16	10,219.48	9,250.00
A.2.	8,167.19	7,275.11	14,898.39	46,074.35	31,500.00
A.3.	276,324.45	342,970.75	341,101.70	402,047.95	415,900.00
B.1.a.	117,656.18	128,018.17	151,403.24	149,406.61	162,513.22
B.1.b.	1,649.90	370.00		6,730.33	2,000.00
B.1.c.	128,686.26	119,030.09	126,517.68	134,367.95	141,904.74
B.1.d.	21,864.05	20,417.55	24,791.15	24,300.79	29,689.37
B.1.e.	43,201.78	34,257.44	39,800.26	34,974.58	36,070.38
B.1.f.					
B.2.	25,091.20	28,196.52	29,209.28	67,918.75	55,500.00
B.3.	338,149.37	330,289.77	371,721.61	417,699.01	427,677.71
C.	(61,824.92)	12,680.98	(30,619.91)	(15,651.06)	(11,777.71)

COLLEGE L

	1964-65	1965-66	1966-67	1967-68 (estimated)	1968-69 (budgeted)
A.1.a.	201,426	250,904	269,167	302,255	401,200
A.1.b.	-	-	-	-	
A.1.c.	300,678	211,611	423,981	354,209	340,685
A.1.d.	100,712	93,147	99,304	95,521	172,700
A.2.	-	-	-		
A.3.	602,816	555,662	792,452	751,985	914,585
B.1.a.	55,100	80,044	69,230	71,400	93,180
B.1.b.	160,113	189,118	195,092	206,000	284,796
B.1.c.	162,620	210,256	218,422	273,000	297,595
B.1.d.	26,454	26,992	24,045	19,000	22,100
B.1.e.	43,505	43,038	34,885	27,000	34,025
B.1.f.	86,209	98,443	82,390	114,736	195,392
B.2.	56,790	55,553	47,478	48,000	54,600
B.3.	590,791	703,444	671,542	795,136	981,688
C.	12,025	(109,444)	120,910	(43,151)	(67,103)

APPENDIX D

RESEARCH PAPER

to be presented at meeting of

Educational Coordinating Council's

AD HOC COMMITTEE ON PRIVATE

AND INDEPENDENT HIGHER EDUCATION

June 25, 1968

Tomlinson Lecture Room

Aubrey Watzek Library Building

Lewis and Clark College

Portland, Oregon

10:00 a.m.

June 20, 1968

The front page article from The Oregonian (Exhibit #1) points up one facet of the basic problem confronting higher education in Oregon. The youth of Oregon in ever increasing numbers are entering our colleges and universities. The people of Oregon have supported this ever increasing demand--supported it with ever increasing tax dollars.

The figures in Exhibit #2 give some idea of the spiraling cost to the taxpayers of our state-supported colleges and universities. (Note that these figures do not include the tax support of our community colleges.)

In round numbers the cost was $42.7 million in 1957-59, $51.3 million in 1959-61, $67.3 million in 1961-63, $82.2 million in 1963-65, $105.8 million in 1965-67, $122.5 million in the present biennium and a requested appropriation of $161.1 million for the 1969-71 biennium.

In percentage terms, this means that public support of state colleges and universities will have increased almost 400% from the 1957-59 biennium through the 1969-71 biennium. Obviously, part of this increase must be discounted because of inflation, together with changes and improvements of educational programs. But perhaps the most important single cause of this increased cost has been the steadily increasing number of students attending our state institutions.

The next set of charts (Exhibits #3 and #4) shows the actual and projected enrollments in all of the institutions of higher learning; public, community college and independent. The first chart shows the actual head count and the second shows the full time equivalent enrollment. The following seven charts (Exhibits #5-#11) show the breakdown by individual colleges and universities.

At some later time you will probably want to examine the specific figures for each individual institution. For the moment I would like to draw your attention to some of the general questions raised by these enrollment statistics.

If we look at the actual headcount chart, you will notice that in 1959 the public colleges and universities accounted for 73.7% of the enrollment, while the community colleges handled 1.3% for a total of all public schools of 75.0%. In 1959 the independent colleges and universities accounted for 25.0% of the students enrolled. By the present school year of 1967 the public colleges and universities accounted for 51.6% and the community colleges for 34.9% for a total in the public sector of 86.5%. The percentage of students enrolled in the independent colleges had declined to 13.5%. If you follow the projections to the bottom of the chart, you will see that by 1977 it is expected that public colleges and universities will account for 42.8% and the community colleges for 46.2% for a total of 89.0% in all public schools. That will leave only 11.0% in the independent colleges and universities by 1977.

If we look instead at the full time equivalents, the

picture is only slightly brighter from the standpoint of independent colleges and universities. In 1959 the public colleges and universities enrolled 73.0% of all students and the community colleges had .7% for a total in public schools of 73.7%. In that same year the independent colleges and universities enrolled 26.3%. By the present school year (1967) the public colleges and universities handled 61.5% and the community colleges had 20.8% for a total of 82.3%. This leaves only 17.7% presently in the independent schools. Furthermore, the projection for 1977 shows that we expect 52.0% to be enrolled in public colleges and universities and 32.6% in community colleges for a total of 84.6% in the public schools. This means that by 1977 the independent colleges and universities will enroll only 15.4% of the full time equivalents.

Whether we use the actual head count of 10.9% or the full time equivalent of 15.4%, it is obvious that if nothing is done to alter the basic equation of higher education in Oregon, the independent colleges and universities must look forward to a constantly declining share of the Oregon students attending institutions of higher learning.

What does this mean to the people and the taxpayers of Oregon? Exhibit #12 gives one answer to this question. In the last biennium for which we had complete figures--1965-67--it cost the taxpayers of Oregon a mean amount of more than $574 for every student enrolled in a public college and university. At the same time it cost the taxpayers more than

$742 for every student attending a public community college.

To put it another way, if the independent colleges and universities were still handling as much as 25% of the full time equivalents, it could have meant a saving to the taxpayers of Oregon of more than $3,000,000 for the year ($6,000,000 for the biennium). This figure reflects only operating costs, and does not take into account the possible savings in capital accounts.

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None of the foregoing is meant to suggest that facts, figures, statistics, and finances can give any more than a partial understanding of the place of the independent colleges and universities in the Oregon scene. Perhaps more important is the philosophy and purpose that underlies these institutions.

It will be helpful to an understanding of the role of the independent colleges and universities to recognize the nature of these institutions.

1. They are non-profit institutions with all revenues returned to their educational program for the maintenance and improvement of those programs.
2. Where it may once have been true, they cannot any longer accurately be called "private" institutions. The measure of their "public" or "public trust" character can be seen in the following ways:

a. Each participates in community activities in many ways.

b. Each cooperates with city, state, and federal agencies through contributed services, contracted programs, research projects, and in many other ways. Included in these efforts has been their working with the community colleges and the public colleges and universities in the development and improvement of programs of higher education.

c. Each receives from the city, state, and federal governments significant tax exemptions on income, real estate, operations, utilities, etc.

d. Individual and corporate gifts to the independent colleges and universities qualify as deductions on state and federal income tax reports, reflecting a traditional public policy of indirect support for these institutions. The wide diversity of corporations, foundations, churches, civic and social agencies, and individuals making such contributions is, in itself, a significant measure of the "public" nature of the independent colleges and universities.

e. The independent colleges and universities receive substantial financial assistance, both directly and indirectly, from the federal government:

   (1) Low interest loans for the construction of the income-earning housing and related facilities, such as student unions and dining halls.

(2) Grants and low interest loans for assistance in constructing libraries, classrooms, laboratories, and other instructional facilities.

(3) Grants for library development, graduate fellowships, and for an increasing number of specialized teaching institutes.

(4) Grants for scientific and other teaching apparatus and for a rapidly expanded number of research projects.

(5) Grants and loans to students attending independent colleges and universities.

f. The independent colleges and universities participate in the Oregon State Scholarship Program (cash awards program).

g. Each of the independent colleges and universities, however selective, or whatever its church affiliations, admits students of all races, creeds, and religions.

h. Each states its purpose in terms of developing increasingly responsible citizens of increasing capacity and of high ethical and moral standards.

The main attempt of this summary is to indicate that the purely "private" college or university no longer exists. All independent colleges and universities have a significant public role which they play, accepting with the role its concurrent responsibilities.

This "public trust" character of the independent colleges and universities explains in great part the expectations assigned to them in the Oregon picture.

Perhaps more important to the public than the public trust responsibilities of the independent colleges and universities is their independence.

They retain their independence of operation and can at any time choose to reject a request or a grant from any governmental or private source to undertake a project which would be contrary to their stated institutional purposes and beliefs.

The special contributions expected of institutions independent of the state and federal governments in policy formulation cannot be exaggerated. A summary of these contributions follows, and we consider it vital to the future welfare of the educational system in Oregon that these values be recognized and that, to preserve them, every effort be made to secure the future of the independent educational institutions serving Oregon.

1. They are a crucial outpost of social criticism, such criticism often being more protected from retaliation than in the case of the public institutions. The independent institutions can raise a responsible voice of dissent when undue pressure is brought to bear upon public institutions to implement politically or provincially conceived projects which would do violence to long range goals.

2. They can assume a leadership role through experimentation and innovation; they are relatively free to act quickly. Public scrutiny often results in more attention being paid to failures than to successes. This is understandably an inhibiting factor for public institutions and may, in some instances, keep them from accepting a challenge which independent institutions can readily accept. This factor is of special importance considering the somewhat monolithic structure of our state institutions of higher learning.
3. They can assist in evaluating and monitoring the post high school educational establishment. Their faculty and administrative personnel offer competent, independent, and articulate expertise to legislators and to the public.
4. They can help establish the wide diversity of post high school educational alternatives desirable in any state. Several of the independent colleges and universities in Oregon have a close relationship to religious organizations. Those which do, preserve a religious tradition of worth to all. But whether or not related to a church, the independent institutions reflect the freedom of special groups to form an institution of higher learning consistent with their own values. By choice some of the independent institutions may assure the continued option of a relatively small liberal arts college when increasing enrollments are rapidly changing the size and character of the public institutions.

5. Their continued existence provides a valuable reference point from which the public may evaluate the educational performance of higher education generally and the public institutions in particular.
6. In some instances they allow more opportunity for analysis of admissions criteria. Cutoff points such as a specific minimum high school grade point average are not explicitly required. Many other factors can be considered in judging a student's admissibility, thereby assuring educational opportunities for many who might otherwise be denied them.
7. They are, for the most part, older institutions, formed in pioneering days, and have developed specialized programs and strengths which are unique and valuable to the total cultural and educational development of the state.

For all of these reasons, and more, we consider it vital to the future welfare of post high school education in Oregon that every effort be made to secure the future of the independent educational institutions serving Oregon.

Dr. Paul Woodring, educational editor of the Saturday Review, said recently while lecturing in Oregon, "I have come to the conclusion that the multiversity will not work. It is too big, too bureaucratic to be effective as an educational institution." He went on to say, "In a massive institution technology plays too large a part and the student becomes alienated."

At a large university recently a student walked across the campus wearing an IBM card which said, "I am a university student. Do not fold, bend, or mutilate."

Without necessarily accepting the full measure of Mr. Woodring's forebodings or the complaints of the anonymous student, they do raise the very real question as to whether the State government may have a responsibility to assure the place of smaller, personal, independent, liberal arts colleges in Oregon.

The philosophy underlying the Oregon independent colleges and universities, both individually and collectively, is the core and the reason for their existence. I cannot stress this point too strongly. I hope this fairly brief presentation of philosophy has given you some new insight into this area. I would now like to turn your attention to some statistical information that I hope will give you a better understanding of another facet of Oregon's independent colleges and universities and their place in our state.

Exhibit #13 shows the anticipated operating budgets for next year for each of the independent schools. There is one exception; this is a small school that has not decided upon their forthcoming budget and did not wish to hazard a guess upon the subject. Their amount would be minimal in any event. From this chart you can see that many of the individual colleges make a substantial contribution to the economy of the state. In a number of instances these colleges are located in small Oregon towns and they are often the first, second, or third principle source of income for their community. Collectively all of the independent schools contribute each year more than $27 million to the economy of the state. This amount is from their current operating expenditures; any capital

construction would be in addition. I am sure you will agree with me that both the state and the communities would suffer if any of these schools would find themselves incapable of continuing.

Exhibits #14 and #15 are concerned with two aspects of enrollment. Oregon independent colleges are presently enrolling approximately 12,000 students each year. With their present plant capacity they could immediately absorb more than 4,900 additional students. Their expressed willingness to increase their percentage of the Oregon students enrolled in post high school education is founded at least partly upon this firm ability to accept almost 5,000 additional students at once. A number of the independent colleges already have plans for expansion that can be implemented upon short notice. This would allow them to expand the stated capacity by an additional 1,000 students within a few years.

From Exhibit #15 you will see that the independent colleges have achieved what we believe to be a satisfactory balance between in-state and out-of-state students. They supply a quality of education that appeals to Oregon students. They are also able to attract a reasonable share of out-of-state students who, for many reasons, find these Oregon independent schools more attractive than any schools in their home state.

Exhibit #16 indicates the present student-teacher ratios among the Oregon independent schools. You will notice that, with one exception, all of the independent colleges have been able to maintain a student-teacher ratio considerably below that offered

by the public institutions. Eleven of the schools are maintaining a ratio in the range of one to fifteen or less. In plain language this means the Oregon independent colleges are fulfilling their philosophical commitment to small classes and individual attention to the needs of each student. I would point out further that each of these teachers is a full-time professional whose basic responsibility is to his students and teaching. We recognize that this is an important factor in their costs, but we are convinced that the effort is worthwhile if they are to achieve that personal attention to the student as he works toward a well-rounded liberal education.

It is, however, an expensive process. Exhibit #17 indicates the efforts the Oregon independent colleges have made to pay for this quality education through sharply increased tuition. You will notice that most of the schools have more than doubled their tuition since 1960-61. You will also notice that eight of the colleges are increasing their tuition next year over what they have been charging this year. Most of those who are holding the line for next year expect to increase tuition in the 1969-70 school year.

Exhibit #18 shows the number of bachelor and master degrees and teaching certificates issued by independent colleges in the 1966-67 school year. In that year they graduated more than 1,500 people with a bachelor's degree, more than 180 with a master's degree, and more than 340 with a teaching certificate. We do not as yet have the final figures for this past year but it should show an increase in all three areas.

Finally, with Exhibit #19 we would like to remind you of the information supplied to you at the last meeting by the Oregon Independent Colleges Association. The Oregon independent colleges have attempted to meet their own responsibilities. They have raised tuition to their students to the point where they are in danger of pricing themselves out of the market. They have used all of their ingenuity to privately raise sufficient money to cover the difference between the cost of education and income received from tuition. Yet the fact remains that the Oregon independent colleges are in financial trouble. In 1964-65 eight independent colleges had deficits totalling $631,943. In 1965-66 eight independent colleges had deficits totalling $619,431. In 1966-67 nine independent colleges had deficits totalling $798,816. That is why we are here today.

We hope that this presentation has given you more information and insight into Oregon independent colleges and universities. All of us stand ready to assist you in the weeks ahead in your important work on this committee.

In closing, I would like to leave with you the charge given to a committee much like yours in New York State. That charge was: "How the state can help preserve the strength and vitality of our private and independent institutions of higher education, yet at the same time keep them free."

That is both our problem and our goal.

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EXHIBIT #1

The Oregonian

84 PAGES PRICE TEN CENTS

TUESDAY, JUNE 11, 1968

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Second Class Postage Paid at Portland, Oregon

Colleges To Seek More Cash

$38 Million Hike Added To Budget Of Next Biennium

By PAUL W. HARVEY JR.
Associated Press Writer

LA GRANDE (AP) — The 1969 Oregon Legislature probably will be asked to provide $38.6 million more for the state colleges and universities than it gave them in the current biennium.

The finance committee of the State Board of Higher Education began working on a 1969-70 biennial budget asking for $161.1 million in state funds, compared with $122.5 million in the current biennium.

Chancellor R.E. Lieuallen, who presented the budget, said the large amount is necessary just to maintain the existing quality of education.

The chief reason for the increase, he said, is that enrollment in the state colleges and universities will jump from 47,291 to 52,719 in the fall of 1970. He said the increase would have been much larger, except that community colleges have taken over much of the educational burden.

Salaries To Increase

The enrollment increase is estimated at 2.5 per cent in 1969-70 and 3.3 per cent the following year. This compares with a 16 per cent increase in 1965 and gains of 7 per cent in other recent years.

The budget calls for hiring 189 more faculty members. The average faculty salaries would be increased from $12,434 to $14,713 at the University of Oregon and Oregon State University; from $11,133 to $13,412 at Portland State College, and from $10,901 to $13,180 at the three regional colleges.

The committee was told that the faculty salaries have fallen from 8th to 16th among 19 comparable universities in other states in the past ten years.

Of the $161.1 million in state funds, $132 million would be used for instruction, $12.6 million for the teaching hospital, $7 million for agriculture experiment stations, and $5.4 million for farm extension.

Legislative Cut Expected

The instruction budget would be increased by $34 million. The other big increase, amounting to $3 million, would go to the Medical School which plans to increase its enrollment from 343 to 431 by 1975.

The teaching ratio would be established at 21 students per teacher in freshman and sophomore and senior classes. This would be a slight improvement.

The Board of Higher Education will consider the budget at its July meeting and take final action on it in September. Then it goes to Gov. Tom McCall for transmission to the Legislature.

EXHIBIT #2

SCHEDULE OF INCOME AND DISBURSEMENTS
STATE DEPARTMENT OF HIGHER EDUCATION BOARD'S FUNDS
INSTRUCTION, RELATED RESEARCH AND GENERAL SERVICES, UNRESTRICTED 1957-67

		1957-59		1959-61		1961-63		1963-65		1965-67	
		1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67
1	INCOME:										
2	Balance	1,225,356.50	18,531,318.03	1,347,255.39	22,641,129.92	1,698,906.09	28,587,178.60	1,728,149.97	32,857,766.35	2,564,840.83	43,763,505.70
3	Realized Income (Exc. State Approp.)	4,319,509.14	4,700,632.25	5,658,119.18	6,216,463.46	7,447,542.84	9,247,749.06	11,608,895.18	12,423,974.26	13,796,644.36	14,483,696.10
4	State Appropriation	33,814,469.00	—	40,098,278.00	(337,850.00)	51,139,512.02	(495,761.31)	58,493,692.39	515,875.26	76,334,910.00	1,345,006.90
5	Total Available	39,359,334.64	23,231,950.38	47,103,652.57	28,519,743.38	60,285,960.95	37,339,166.35	71,830,737.54	45,797,615.87	92,696,395.19	59,592,208.70
6	DISBURSEMENTS:	20,828,016.61	21,884,694.99	24,462,522.65	26,820,837.29	31,698,782.35	35,611,016.38	38,972,971.19	43,232,775.04	48,932,889.49	56,866,937.82
	CARRIED FORWARD:										
7	Specific Reserves for following year	17,325,756.54	—	20,607,993.00	100,000.00	26,487,174.00	184,454.81	30,240,747.00	—	40,443,700.00	—
8	Carried forward for unpaid claims	1,205,561.49	1,347,255.39	2,033,136.92	1,551,483.05	1,868,759.29	1,543,695.16	2,558,582.97	2,266,693.58	2,932,656.98	2,610,670.88
9	Ending Balance				47,423.04	231,245.31	—	58,436.38	298,147.25	—	—
10	Over-realized Income									387,148.72	114,600.00
	ANALYSIS:										
11	% of Disbursement from Other Income	20.84%		22.47%		24.77%		28.22%		26.58%	
12	% of Disbursement from State Appropriations	79.16%		77.53%		75.23%		71.78%		73.42%	

TABLE 5

ESTIMATED FALL TERM HEADCOUNT ENROLLMENT IN OREGON COLLEGES AND UNIVERSITIES
1959-77

Year (1)	Public 4 Yr. Col. & Univ. (2)	Community Colleges (3)	Independent Colleges & Universities (4)	Totals (5)	Percent of Total Enrollment in each Category of College & University		
					Public 4 Yr. Col. & Univ. (6)	Community Colleges (7)	Independent Col. & Univ. (8)
1959	23,269	415	7,880	31,564	73.72	1.31	24.97
1960	25,222	450	8,514	34,186	73.78	1.32	24.90
1961	28,986	3,208	9,151	41,345	70.11	7.76	22.13
1962	31,852	5,897	9,859	47,608	66.90	12.39	20.71
1963	33,786	8,959	10,560	53,305	63.38	16.81	19.81
1964	36,354	13,554	11,960	61,868	58.76	21.91	19.33
1965	42,268	18,108	12,519	72,895	57.98	24.84	17.18
1966	44,032	22,422	12,226	78,680	55.96	28.50	15.54
1967	47,291	31,924	12,338	91,553	51.65	34.87	13.48
1968	49,805	36,028	12,804	98,637	50.49	36.53	12.98
1969	51,038	43,114	13,341	107,493	47.48	40.11	12.41
1970	52,719	50,022	13,826	116,567	45.23	42.91	11.86
1971	54,678	55,866	14,441	124,985	43.75	44.70	11.55
1972	56,533	60,457	14,878	131,868	42.87	45.85	11.28
1973	58,361	65,048	15,240	138,649	42.09	46.92	10.99
1974	59,843	66,994	15,592	142,429	42.02	47.04	10.94
1975	61,413	68,728	15,874	146,015	42.06	47.07	10.87
1976	62,923	69,185	16,198	148,306	42.43	46.65	10.92
1977	64,541	69,732	16,502	150,775	42.81	46.25	10.94

Notes:

1. The community college projections include summer session and extension students enrolled in programs for which the State makes reimbursement to the colleges.
2. Public four-year and independent college and university projections do not include summer session or extension programs.
3. Independent college projections are fall term headcounts converted to estimated FTE by the average conversion as determined for the year 1967.
4. Projections do not include theological seminaries or Bible schools.
5. Projections for 68-77 were made by calculation from FTE projections in Table 1 using the relationship between headcount and FTE for the year 1967.

EXHIBIT #3

TABLE 1

FULL-TIME EQUIVALENT AVERAGE TERM ENROLLMENTS IN OREGON COLLEGES AND UNIVERSITIES
1956-57 to 1977-78

Academic Year (1)	Enrollment in Oregon Colleges & Univ.				Est. Oregon 18-24 Population (6)	Est. Percent Enrollment is of Oregon 18-24 College Age Pop.				Percent of Total Enrollment Enrolled in each Category of Coll. & Univ.		
	Public Four Yr. Col. & Univ. (2)	Community Colleges (3)	Independent Colleges & Univ. (4)	Totals for Oregon (5)		Public Four Yr Col. & Univ. (7)	Community Colleges (8)	Independent Colleges & Univ. (9)	Totals for Oregon (10)	Public Four Yr Col. & Univ. (11)	Community Colleges (12)	Independent Colleges & Univ. (13)
1956-57	17,906	166	6,676	24,748	136,378	13.10	.12	4.88	18.10	72.35	.67	26.98
1957-58	19,498	158	7,028	26,684	136,476	14.29	.11	5.15	19.55	73.07	.59	26.34
1958-59	20,375	230	7,309	27,914	136,627	14.91	.17	5.35	20.43	72.99	.82	26.19
1959-60	20,925	202	7,552	28,679	137,984	15.16	.15	5.47	20.78	72.96	.71	26.33
1960-61	22,856	219	8,298	31,373	140,337	16.29	.16	5.91	22.36	72.85	.70	26.45
1961-62	27,037	1,560	8,919	37,516	147,738	18.30	1.05	6.04	25.39	72.07	4.16	23.77
1962-63	29,262	2,867	9,609	41,738	155,721	18.79	1.84	6.17	26.80	70.11	6.87	23.02
1963-64	30,554	3,608	10,292	44,464	162,837	18.77	2.22	6.32	27.31	68.74	8.11	23.15
1964-65	32,362	4,679	11,656	48,697	169,484	19.09	2.76	6.88	28.73	66.46	9.61	23.93
1965-66	36,775	7,825	12,201	56,801	182,568	20.14	4.29	6.68	31.11	64.74	13.78	21.48
1966-67	39,154	10,920	11,915	61,989	197,617	19.81	5.53	6.03	31.37	63.16	17.62	19.22
1967-68	41,682	14,063	12,025	67,770	208,664	19.98	6.74	5.76	32.48	61.51	20.75	17.74
1968-69	43,731	17,515	12,479	73,725	216,071	20.24	8.11	5.77	34.12	59.32	23.76	16.92
1969-70	44,267	20,960	13,002	78,229	222,340	19.91	9.43	5.85	35.19	56.59	26.79	16.62
1970-71	45,573	24,318	13,475	83,366	230,899	19.74	10.53	5.83	36.10	54.67	29.17	16.16
1971-72	47,124	27,159	14,074	88,357	240,267	19.61	11.30	5.86	36.77	53.33	30.74	15.93
1972-73	48,571	29,391	14,500	92,462	242,394	20.04	12.13	5.98	38.15	52.53	31.79	15.68
1973-74	49,948	31,623	14,853	96,424	243,862	20.48	12.97	6.09	39.54	51.80	32.80	15.40
1974-75	51,027	32,569	15,196	98,792	246,230	20.72	13.23	6.17	40.12	51.65	32.97	15.38
1975-76	52,129	33,412	15,471	101,012	249,393	20.90	13.40	6.20	40.50	51.61	33.08	15.31
1976-77	53,130	33,634	15,786	102,550	249,076	21.33	13.50	6.34	41.17	51.81	32.80	15.39
1977-78	54,173	33,900	16,082	104,155	248,759	21.78	13.63	6.46	41.87	52.01	32.55	15.44

Notes:

1. The community college projections include summer session and extension students enrolled in programs for which the State makes reimbursement to the colleges.
2. Public four-year and independent college and university projections do not include summer session or extension programs.
3. Independent college projections are fall term headcounts converted to estimated FTE by the average conversion as determined for the year 1967.
4. Projections do not include theological seminaries or Bible schools.

EXHIBIT #4

EXHIBIT #5
TABLE 3

STATE DEPARTMENT OF HIGHER EDUCATION
Projected Enrollments through Year 1978-79

SUMMARY

Year	Fall Term Headcount	Fall Term FTE	3-Term FTE
1959-60	23,269	22,176	20,925
1960-61	25,222	23,985	22,856
1961-62	28,986	28,488	27,037
1962-63	31,852	30,997	29,262
1963-64	33,786	32,278	30,564
1964-65	36,354	34,009	32,362
1965-66	42,268	39,078	36,775
1966-67	44,032	41,371	39,154
1967-68	47,291	44,056	41,682
1968-69 (Est.)	49,805	46,214	43,731
1969-70	51,038	46,783	44,267
1970-71	52,719	48,161	45,573
1971-72	54,678	49,800	47,124
1972-73	56,533	51,329	48,571
1973-74	58,361	52,784	49,948
1974-75	59,843	53,923	51,027
1975-76	61,413	55,089	52,129
1976-77	62,923	56,147	53,130
1977-78	64,541	57,249	54,173
1978-79	66,926	59,075	55,900

Note: See following tables for above information by individual institutions.

UNIVERSITY OF OREGON

1959-60	6,766	6,467	6,085
1960-61	7,651	7,315	6,913
1961-62	8,850	8,716	8,249
1962-63	9,621	9,403	8,822
1963-64	9,982	9,395	8,943
1964-65	10,672	9,992	9,444
1965-66	12,248	11,280	10,714
1966-67	13,050	12,048	11,429
1967-68	13,980	12,853	12,169
1968-69 (Est.)	14,665	13,364	12,653
1969-70	14,954	13,531	12,811
1970-71	15,498	13,960	13,217
1971-72	16,164	14,510	13,738
1972-73	16,878	15,083	14,281
1973-74	17,570	15,614	14,783
1974-75	18,218	16,092	15,236
1975-76	18,882	16,578	15,696
1976-77	19,560	17,059	16,151
1977-78	20,251	17,538	16,605
1978-79	21,140	18,203	17,235

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EXHIBIT #6

TABLE 3 (Continued)

UNIVERSITY OF OREGON MEDICAL SCHOOL

Year	Fall Term Headcount	Fall Term FTE	3-Term FTE
1959-60	651	651	631
1960-61	695	695	657
1961-62	733	733	680
1962-63	697	697	675
1963-64	742	742	719
1964-65	763	763	740
1965-66	794	794	762
1966-67	816	816	793
1967-68	831	831	804
1968-69 (Est.)	838	838	811
1969-70	856	856	828
1970-71	873	873	844
1971-72	918	918	888
1972-73	955	955	924
1973-74	980	980	948
1974-75	1,016	1,016	983
1975-76	1,028	1,028	994
1976-77	1,032	1,032	998
1977-78	1,032	1,032	998
1978-79	1,032	1,032	998

UNIVERSITY OF OREGON DENTAL SCHOOL

1959-60	335	335	330
1960-61	352	352	348
1961-62	358	358	350
1962-63	362	362	355
1963-64	384	384	377
1964-65	393	393	385
1965-66	387	387	380
1966-67	387	387	384
1967-68	396	396	390
1968-69 (Est.)	396	396	390
1969-70	403	403	397
1970-71	404	404	398
1971-72	403	403	397
1972-73	403	403	397
1973-74	403	403	397
1974-75	403	403	397
1975-76	403	403	397
1976-77	403	403	397
1977-78	403	403	397
1978-79	403	403	397

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EXHIBIT #7

TABLE 3 (Continued)

OREGON STATE UNIVERSITY

Year	Fall Term Headcount	Fall Term FTE	3-Term FTE
1959-60	7,729	7,729	7,367
1960-61	7,899	7,899	7,654
1961-62	9,039	9,169	8,827
1962-63	10,037	10,167	9,659
1963-64	10,427	10,467	9,893
1964-65	10,533	10,383	9,984
1965-66	11,906	11,726	11,170
1966-67	12,668	12,631	11,954
1967-68	13,358	13,178	12,534
1968-69 (Est.)	14,025	13,905	13,225
1969-70	14,393	14,042	13,355
1970-71	15,025	14,631	13,916
1971-72	15,602	15,155	14,414
1972-73	16,143	15,635	14,870
1973-74	16,653	16,077	15,291
1974-75	17,033	16,399	15,597
1975-76	17,434	16,725	15,907
1976-77	17,902	17,089	16,253
1977-78	18,350	17,430	16,578
1978-79	19,017	17,980	17,101

PORTLAND STATE COLLEGE

1959-60	4,008	3,226	2,939
1960-61	4,552	3,664	3,416
1961-62	5,285	4,758	4,387
1962-63	5,788	5,160	4,864
1963-64	6,723	5,923	5,532
1964-65	7,587	6,386	5,984
1965-66	9,125	7,563	6,836
1966-67	8,776	7,538	7,038
1967-68	9,557	8,094	7,516
1968-69 (Est.)	9,991	8,324	7,730
1969-70	10,222	8,384	7,785
1970-71	10,445	8,495	7,888
1971-72	10,791	8,729	8,106
1972-73	11,137	8,981	8,340
1973-74	11,470	9,203	8,546
1974-75	11,696	9,349	8,681
1975-76	12,019	9,547	8,865
1976-77	12,264	9,672	8,981
1977-78	12,610	9,853	9,149
1978-79	13,112	10,176	9,449

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EXHIBIT #8

TABLE 3 (Continued)

OREGON COLLEGE OF EDUCATION

Year	Fall Term Headcount	Fall Term FTE	3-Term FTE
1959-60	987	987	922
1960-61	1,102	1,102	1,046
1961-62	1,284	1,267	1,171
1962-63	1,421	1,360	1,270
1963-64	1,354	1,290	1,221
1964-65	1,687	1,555	1,502
1965-66	2,073	1,940	1,892
1966-67	2,463	2,356	2,295
1967-68	2,806	2,641	2,541
1968-69 (Est.)	3,014	2,855	2,747
1969-70	3,181	2,954	2,843
1970-71	3,242	2,999	2,886
1971-72	3,350	3,089	2,973
1972-73	3,444	3,170	3,050
1973-74	3,553	3,258	3,135
1974-75	3,633	3,318	3,193
1975-76	3,698	3,369	3,242
1976-77	3,756	3,411	3,282
1977-78	3,817	3,453	3,323
1978-79	3,920	3,534	3,401

SOUTHERN OREGON COLLEGE

1959-60	1,252	1,252	1,198
1960-61	1,377	1,377	1,294
1961-62	1,465	1,521	1,556
1962-63	1,856	1,758	1,719
1963-64	2,113	1,972	1,898
1964-65	2,474	2,298	2,234
1965-66	3,207	2,890	2,739
1966-67	3,413	3,141	2,958
1967-68	3,731	3,458	3,311
1968-69 (Est.)	4,095	3,785	3,625
1960-70	4,203	3,830	3,667
1970-71	4,330	3,940	3,773
1971-72	4,448	4,040	3,868
1972-73	4,512	4,091	3,917
1973-74	4,610	4,179	4,001
1974-75	4,679	4,235	4,055
1975-76	4,741	4,289	4,107
1976-77	4,775	4,314	4,131
1977-78	4,820	4,350	4,165
1978-79	4,953	4,467	4,277

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EXHIBIT #9

TABLE 3 (Continued)

EASTERN OREGON COLLEGE

Year	Fall Term Headcount	Fall Term FTE	3-Term FTE
1959-60	778	766	735
1960-61	834	821	816
1961-62	1,070	1,064	1,003
1962-63	1,162	1,182	1,103
1963-64	1,153	1,197	1,139
1964-65	1,205	1,199	1,135
1965-66	1,360	1,330	1,259
1966-67	1,454	1,449	1,380
1967-68	1,518	1,491	1,410
1968-69 (Est,)	1,603	1,569	1,485
1969-70	1,610	1,567	1,482
1970-71	1,617	1,574	1,489
1971-72	1,670	1,624	1,536
1972-73	1,714	1,664	1,574
1973-74	1,754	1,702	1,610
1974-75	1,780	1,726	1,633
1975-76	1,804	1,746	1,652
1976-77	1,824	1,760	1,665
1977-78	1,843	1,775	1,679
1978-79	1,887	1,818	1,720

OREGON TECHNICAL INSTITUTE

1959-60	763	763	718
1960-61	760	760	712
1961-62	902	902	814
1962-63	908	908	795
1963-64	908	908	851
1964-65	1,040	1,040	954
1965-66	1,168	1,168	1,023
1966-67	1,005	1,005	923
1967-68	1,114	1,114	1,007
1968-69 (Est.)	1,178	1,178	1,065
1969-70	1,216	1,216	1,099
1970-71	1,285	1,285	1,162
1971-72	1,332	1,332	1,204
1972-73	1,347	1,347	1,218
1973-74	1,368	1,368	1,237
1974-75	1,385	1,385	1,252
1975-76	1,404	1,404	1,269
1976-77	1,407	1,407	1,272
1977-78	1,415	1,415	1,279
1978-79	1,462	1,462	1,322

Office of Institutional Research
Revised, February 1968

State Department of Education
Division of Community Colleges
and Vocational Education

EXHIBIT #10

May 1, 1968

TABLE 2

OREGON COMMUNITY COLLEGES
Reimbursable FTE - Actual and Projections

	Actual FTE				Estimated			Projected FTE						
Institution	63-64	64-65	65-66	66-67	67-68	68-69	69-70	70-71	71-72	72-73	73-74	74-75	75-76	76-77
Blue Mountain	274	415	574	591	700	787	873	959	1,046	1,046	1,046	1,046	1,046	1,046
Central Oregon	415	420	615	598	609	723	836	946	1,057	1,057	1,057	1,057	1,057	1,057
Clackamas	99	54	117	122	510	880	1,250	1,650	1,853	2,056	2,259	2,462	2,665	2,665
Clatsop	291	334	448	499	596	662	727	814	814	814	814	814	814	814
Lane	555	563	1,284	2,165	2,715	3,470	4,224	4,765	5,303	5,841	6,378	6,378	6,378	6,378
Linn-Benton	-	-	-	-	243	465	687	909	1,130	1,352	1,574	1,795	2,017	2,239
Mt. Hood	-	-	-	407	1,175	1,694	2,212	2,785	3,202	3,619	4,036	4,453	4,871	4,871
Portland	830	1,430	2,592	3,623	4,383	5,090	5,796	6,540	7,285	8,027	8,770	8,770	8,770	8,770
Salem	391	453	607	702	877	1,139	1,400	1,700	1,984	1,984	1,984	1,984	1,984	1,984
Southwestern	459	478	610	761	775	900	1,025	1,150	1,275	1,275	1,275	1,275	1,275	1,275
Treasure Valley	294	379	716	1,021	916	1,008	1,100	1,160	1,160	1,160	1,160	1,160	1,160	1,160
Umpqua	-	153	262	431	564	697	830	940	1,050	1,160	1,270	1,375	1,375	1,375
Totals	3,608	4,679	7,825	10,920	14,063	17,515	20,960	24,318	27,159	29,391	31,623	32,569	33,412	33,634

Note: The above figures are subject to some revision based upon Reimbursable FTE as reported in Fall of 1968.

The above figures do not include estimates of enrollment that may result from district reorganization or the development of new institutions.

EXHIBIT #11

TABLE 4

• OREGON INDEPENDENT COLLEGES AND UNIVERSITIES
ACTUAL AND PROJECTED FALL TERM HEADCOUNT ENROLLMENT - 1960 THROUGH 1977

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977
Cascade College	266	287	291	264	339	323	293	246	247	249	259	269	279	290	310	325	340	355
Columbia Christian Col.	8	50	68	105	134	136	143	151	160	175	190	210	300	325	350	380	425	500
Concordia College	117	105	115	136	147	160	182	158	182	189	200	220	240	249	268	281	283	313
George Fox College	165	188	220	287	321	338	352	389	450	500	550	600	660	700	750	800	850	900
Judson Baptist College	42	80	66	63	90	122	99	103	120	145	175	200	220	240	270	310	340	380
Lewis & Clark College	1,062	1,087	1,143	1,168	1,288	1,362	1,514	1,800	1,849	1,980	2,083	2,260	2,253	2,286	2,294	2,294	2,294	2,294
Linfield College	932	972	1,008	1,051	1,097	1,132	1,195	1,162	1,178	1,208	1,234	1,283	1,315	1,340	1,360	1,378	1,386	1,396
Marylhurst College	500	562	546	553	578	573	582	711	660	769	772	807	813	824	835	840	843	848
Mount Angel College	198	290	310	326	352	425	403	377	420	450	480	510	540	570	600	630	760	790
Multnomah College	290	445	857	1,104	1,610	1,762	1,182	801	800•	800	800	800	800	800	800	800	800	800
Museum Art School	73	87	88	117	116	121	115	115	115	115	115	120	150	200	250	250	250	250
Northwest Christian Col.	344	366	282	334	379	391	371	421	427	420	430	452	458	465	472	477	479	483
Pacific University	739	807	911	921	908	940	992	1,091	1,137	1,177	1,214	1,241	1,278	1,304	1,318	1,333	1,342	1,350
Reed College	818	839	886	945	1,011	1,043	1,090	1,143	1,250	1,320	1,380	1,425	1,440	1,450	1,460	1,475	1,490	1,500
University of Portland	1,722	1,640	1,748	1,745	1,836	1,859	1,856	1,751	1,766	1,775	1,824	1,861	1,915	1,959	1,997	2,028	2,037	2,055
Warner Pacific	-	-	-	-	300	338	344	396	422	439	450	465	476	487	496	503	506	510
Willamette University	1,238	1,346	1,320	1,441	1,454	1,494	1,513	1,523	1,571	1,624	1,670	1,718	1,741	1,751	1,762	1,770	1,773	1,778
Totals	8,514	9,151	9,859	10,560	11,960	12,519	12,226	12,338••	12,804	13,341	13,826	14,441	14,878	15,240	15,592	15,874	16,198	16,502

Actual 1960 through 1967
Projected 1968 through 1977

•The college reports that they have no basis for projecting future enrollments. The Council's staff has assumed that the 1967 enrollment provides the best guess of future trends under the circumstances.

••The Student Enrollment Data Survey reports 12,797 students because the time of reporting was three weeks later.

EXHIBIT #12

LOWER DIVISION STUDENT COST

	1964-65			1965-66			1966-67		
STATE SYSTEM INSTITUTIONS	FTE Cost	Tuition	Difference	FTE Cost	Tuition	Difference	FTE Cost	Tuition	Difference
Eastern Oregon College	$910.60	$294.00	$616.60	$920.97	$294.00	$626.97	$929.35	$294.00	$635.35
Oregon College of Ed.	872.19	294.00	578.19	775.46	294.00	481.46	856.99	294.00	562.99
Oregon State University	1,045.00	330.00	715.00	995.39	330.00	665.39	1,027.75	330.00	697.75
Portland State College	757.88	330.00	427.88	762.68	330.00	432.68	809.77	330.00	479.77
Southern Oregon College	725.05	294.00	431.05	786.85	294.00	492.00	780.66	294.00	486.66
University of Oregon	859.99	330.00	529.99	871.51	330.00	541.51	916.34	330.00	586.34
Mean Cost				$ 852.14	$312.00	$540.00	$886.81	$312.00	$574.81
COMMUNITY COLLEGES									
Blue Mountain				$917.53	$240.00	$677.53	$1,251.55	$240.00	$1,011.55
Central Oregon				899.83	270.00	629.83	1,264.94	270.00	994.94
Clackamas*							957.21	180.00	777.21
Clatsop				841.98	303.00	538.98	1,037.23	303.00	734.23
Lane				694.54	165.00	529.54	746.88	165.00	581.88
Mt. Hood*							1,273.59	180.00	1,093.59
Portland				611.43	180.00	431.43	612.43	180.00	432.43
Salem Vo/Tech**									
Southwestern				1,062.32	270.00	792.32	977.69	270.00	707.69
Treasure Valley				761.88	225.00	536.88	861.49	240.00	621.49
Umpqua				899.48	270.00	629.48	744.35	270.00	474.35
Mean Cost				$836.12	$240.38	$595.75	$972.74	$229.80	$742.94

*College not operating at this time.
**No lower division courses offered.

Note: During the 1964-65 year there was no separation of cost between lower division and vocational technical courses at the community colleges.

EXHIBIT #13

ANTICIPATED OPERATING BUDGET, 1968-69

College	A	$?
	B	534,400
	C	601,014
	D	1,000,000
	E	220,000
	F	5,100,000
	G	1,500,000
	H	1,530,000
	I	784,000
	J	534,000
	K	2,826,000
	L	3,802,000
	M	4,100,000
	N	900,000
	O	3,913,000
TOTAL		$27,344,414

EXHIBIT #14

ENROLLMENT

	1967 Enrollment	Capacity	Openings
College A	250	600	350
B	150	180	30
C	158	200	42
D	387	600	213
E	105	160	55
F	1798	2350	552
G	1150	1500	350
H	780	1000	220
I	334	450	116
J	421	500	79
K	1080	1500	420
L	1146	1200	54
M	1753	2200	447
N	396	422	26
O	1500	3450	1950

EXHIBIT #15

ENROLLMENT, 1967

	Instate	Out of State
College A	148	104
B	55	96
C	158	0
D	244	145
E	68	35
F	987	811
G	667	500
H	528	183
I	282	95
J	421	0
K	353	699
L	284	859
M	949	802
N	161	235
O	828	695
	6,133	5,359

EXHIBIT #16

STUDENT-TEACHER RATIO

College A	1-10
B	1-20
C	1-15.2
D	1-13
E	1-8
F	1-15
G	1-19
H	1-11
I	1-12
J	1-26
K	1-13
L	1-10
M	1-14.5
N	1-12
O	1-16

EXHIBIT #17

TUITION

	1960-61	1967-68	1968-69
Colle e A	600	900	1000
B	208	392	440
C	160	410	470
D	450	990	990
E	280	585	675
F	710	1680	1680
G	666	1200	1200
H	450	950	1200
I	400	960	960
J	360	585	585
K	650	1385	1385
L	1260	2200	2200
M	660	1100	1200
N	300	810	1050
O	727	1295	1400

EXHIBIT #18

DEGREES 1967

	Bachelor	Master	Teaching Cert.
College A	48		12
B			
C			
D	51		5
E			
F	301	13	79
G	149	32	
H	73		50
I	54		27
J	51		
K	156	5	36
L	174	51	22
M	275	75	97
N	40		
O	224	6	25

EXHIBIT #19

OREGON INDEPENDENT COLLEGES ASSOCIATION

Total Current Account Surplus (deficit) Remaining After Gifts and Other Income Were Applied

College	1964-65	1965-66	1966-67
A	$ 70,723	$135,150	$114,866
B	19,171	27,025	(818)
C	(51,921)	(79,900)	(32,752)
D	12,025	(109,444)	120,909
E	19,100	13,200	7,300
F	(133,375)	99,130	(65,734)
G	(7,600)	(76,944)	(99,453)
H	(154,929)	(12,194)	(29,357)
I	24,832	(152,588)	(305,243)
J	(101,606)	(50,661)	(35,208)
K	77,674	90,952	140,513
L	(62,712)	29,219	(20,651)
M	(119,800)	(137,700)	(169,600)

5/16/68

APPENDIX E

SUMMARY OF

ATTORNEY GENERAL'S OPINION NO. 6543 (STATE AID TO PRIVATE EDUCATION)

The following is a summary of the Attorney General's twenty-two page opinion relative to the question of State aid to private education. You will recall that the Educational Coordinating Council posed four specific questions in this connection. First,

> "May the state of Oregon provide financial assistance to students of the State who wish to attend private institutions of higher education in the State?"

In answering this question the Attorney General's Opinion referenced certain statutory provisions relating to financial assistance to students. The Opinion stated that ". . . State financial assistance in the form of scholarships to resident students attending private institutions of higher education is authorized by ORS 348.230, which provides as follows:

> "(1) In addition to any other scholarships provided by law, the State Scholarship Commission may award to qualified residents of this state scholarships in any four-year, nonprofit, generally accredited institution of higher education located in this state."

Based upon the foregoing statutory provision quoted above in part, the first question was answered in the affirmative.

Second,

> "May the State provide financial assistance to a student on the condition that the student attend a private institution of higher education in Oregon?"

Under present statutory provisions, according to the Opinion, there does not appear to be any authority to impose the condition mentioned. The conditions for scholarship eligibility are specifically provided in the statutes and those statutes do not authorize the State Scholarship Commission to add to or detract from these conditions of eligibility. Accordingly, the second question was answered in the negative.

The third and fourth questions, because they ". . . each involve

essentially the same considerations . . ." were discussed together. The questions are:

> "May the state of Oregon contract with accredited private institutions of higher education to educate a student to a prescribed degree level, i.e., B.A., M.A., etc., in which payment is based upon a student successfully completing all the requirements for a degree and receiving it?"
>
> "May the state of Oregon contract with a private institution of higher education to educate residents of Oregon according to a prescribed and approved curriculum in which the payment would be made in terms of so many dollars per full-time equivalent (FTE) student?"

The Opinion treats questions three and four as having the same two parts: ". . . first, whether the State may contract with a private institution for the purposes mentioned; and second, if the State may do so, may it provide payment for the services rendered in the manner indicated."

Although there is no express statutory provision that would allow a contractual arrangement of the manner described, at least as it relates to the Educational Coordinating Council, Board of Higher Education, and the Board of Education, ". . . it does appear that by a liberal interpretation of ORS 348.505 and 348.530 such contracting authority may be ascribed to the State Scholarship Commission."

Quoting from the statute, the State Scholarship Commission may:

> "(1) Negotiate for and contract with private and governmental agencies for the establishment of financial aid programs."

Financial aid, as used in this section is defined in ORS 348.505 as follows:

> "As used in ORS 348.505 to 348.620, 'financial aid' includes loans, grants, scholarships, work opportunities and other forms of financial aid to assist students in completing their post-high school education." (Emphasis supplied in the Opinion.)

The emphasized language appears, according to the Opinion, to be broad enough to authorize the type of contract described.

The manner of payment for the contracted services, which is the second part of the last two questions, ". . . is primarily a matter of negotiation and agreement between the parties and poses no particular legal problem. This, of course, is subject to the usual considerations concerning the purpose of appropriations, limitations on expenditures and the requirements of other laws relating to finances of State agencies."

Accordingly, the last two questions were answered in the affirmative.

LEGISLATIVE CONSIDERATIONS

In addition to the specific questions above, there was discussion with the Attorney General and his staff relative to the need to implement legislation to encourage enrollment in Oregon's private institutions of higher education-- the purpose of encouraging such enrollment being to assist in maintaining the relative strength and educational capacity of the system of private colleges and universities through increased income from tuition; a secondary purpose being to relieve the present overburdening of the facilities of the State Department of Higher Education which has occurred through rapid enrollment growth. In view of the negative answer to the second question and the possibility that the legislation might include a statutory change which would allow scholarship funds to be earmarked for award only to students attending private institutions, the Opinion discussed some pitfalls in implementing a program of this nature.

Pertinent to the discussion of proposed legislation to change the negative response to the second question, certain considerations should

be kept in mind. As discussed in the Opinion, these considerations are the public use doctrine and the doctrine of separation of church and state.

PUBLIC USE DOCTRINE

It is well settled that public funds cannot be expended for other than a public purpose. The earmarking of public funds for scholarship use on the condition that the funds be used to attend private institutions, with the purpose of maintaining or increasing enrollments in these institutions and thus increasing their income, gives rise to the question of whether this is for a public purpose. The question has not been adjudicated in Oregon. However, ". . . if it can be said that public assistance to Oregon's private colleges and universities in the manner indicated is sufficiently beneficial to the community as a whole to justify governmental involvement, then there is no violation of the public use doctrine. Undoubtedly, the system of private colleges and universities is beneficial to the community as a whole and it is unlikely that the judiciary would invalidate a scholarship program of the kind mentioned, particularly when a secondary purpose of the program is to relieve the burden of heavy enrollments in the State Department of Higher Education."

CHURCH-STATE RELATIONSHIP

A second area of concern is that of the church-state relationship. Again, taking the situation of scholarships, ORS 348.230 and 348.250 presently make no distinctions in eligibility between students attending church-operated schools and those not so operated. The State generally has the responsibility to ensure that public funds are not expended in such a manner as to further any religious function. Under the circumstances, it is important to know whether the organization receiving the State assistance is so

structured as to place the State in a position of violating the doctrine of church-state relationship. According to the Opinion, both State and Federal constitutional provisions "undoubtedly" prohibit the use of public funds in furtherance of sectarian educational programs, although the question has not been adjudicated in Oregon. The Opinion goes on, however, to state that ". . . there appears to be a division of authority in other jurisdictions in the very few cases involving tuition or scholarship aid for nonsectarian training in sectarian institutions of higher learning or advanced training."

"In Oregon, it has been established that forms of State aid which benefit the 'religious functions' of a religious organization are proscribed by Article I, ss 5, Oregon Constitution . . ." and ". . . in the case of elementary and secondary schools, the question of whether the educational institution is religious is, in most cases, relatively easy to determine . . . However, such a determination is not always as easily made in the case of institutions of higher learning. Many such institutions have religious affiliations but offer strictly a secular education program and have other operational characteristics which separate the institution from the 'religious function' of the sectarian affiliate. Where this is true, we assume that tuition or scholarship aid to students would not be considered as an aid to 'religious functions' . . ."

The whole question of separation of secular and sectarian functions has received attention in courts throughout the nation considering the question of state aid to private and independent higher education.

In a particular case cited by the Attorney General, it was decided that each statute in the State in which the question was being considered which granted public support to private education, would have to be examined

individually. Through this process it could be determined whether the purpose of the statute -- as evidenced either on its face, in conjunction with its legislative history, or in its operative effect -- is to use the State's power to aid religion.

With that standard, some factors considered significant in that same case in determining whether an educational institution is religious or sectarian were:

1. The stated purposes of the college;
2. The college personnel which includes the governing board, the administrative officers, the faculty, and the student body;
3. The college's relationship with religious organizations and groups;
4. The place of religion in the college's program;
5. The result or outcome of the college program, such as accreditation and the nature and character of the activities of the alumni; and
6. The work and image of the college in the community.

"Since the question has not been adjudicated in Oregon, the tests for determining the sectarian characteristics of an institution as enumerated . . . are not necessarily the same tests which would be applied by the Oregon courts." However, the Opinion goes on to state that ". . . we do find the reasoning persuasive and are inclined to the view that the same or similar tests would be prescribed by the judiciary of this State."

The Attorney General's Opinion did not say whether the Oregon courts would draw any distinctions between tuition grants and other forms of financial aid to students attending sectarian institutions. However,

". . . other forms of aid, such as subsistence grants, might be considered by the courts as not being an integral part of the educational process and the benefit, if any, accruing to the institution too remote to be within constitutional proscriptions. These matters are not easily determined . . ."

However, it was the Attorney General's opinion that ". . . a grant of financial aid to students of institutions of higher education would constitute a proper use of public funds and the earmarking of a portion of such funds for award only to students attending private institutions of higher education would be permissible; however, the application of such funds to payment of tuition for students attending sectarian educational institutions is probably in violation of the First Amendment of the United States Constitution and of Article I, ss 5, of the Oregon Constitution. Whether religion affiliated institutions are to be classified as sectarian depends upon several factors . . . such as those discussed earlier . . . and must be determined individually in each instance. It is uncertain whether forms of financial aid other than tuition grants may constitutionally be made to students attending sectarian institutions."

For more detail, see Attorney General Opinion No. 6543 (State Aid to Private Education).